

**Global Brands S.A.**  
("Global Brands" or the "Company")

**Termination of negotiations to acquire UKOG  
Resumption of trading and  
Convertible Loan Facility**

**Termination of negotiations to acquire UKOG & resumption of trading on AIM**

On 6 February, 2014, the Company announced that it was in negotiations for the acquisition of UK Onshore Gas Limited ("UKOG"), a private limited company that is owned by Global Brands' majority shareholder, Gerwyn Williams, and his associates. The acquisition would have constituted a reverse takeover under AIM Rules and consequently trading in the Company's shares on AIM were suspended pending publication of an admission document by the Company or an announcement that the proposed acquisition is no longer proceeding.

The Company today announces that these negotiations have now been terminated and the proposed acquisition of UKOG will no longer take place. Accordingly, the Company has requested the resumption of trading of its shares on AIM. Trading in the Company's ordinary shares will be resumed with effect from 7:30 am today.

The Company will continue to operate as an Investing Company under the AIM Rules.

**Convertible Loan Facility**

On 6 February 2014, Global Brands also announced that it had secured a convertible loan facility for up to £300,000 from Mr Williams. Mr Williams has already provided the Company with £80,000 in funds under the facility.

The terms of the facility have now been modified and funds drawn down under the facility will no longer be used to cover the due diligence and other costs associated with the acquisition of UKOG but will instead be used for working capital and investment purposes in accordance with the Company's investing policy. The Company has today drawn down a further £220,000 to the Company under the facility.

The key terms of the loan facility are as follows:

- the total facility is £300,000;
- £80,000 has previously been drawn down to support the Company's working capital requirements;
- A further £220,000 has been drawn down by the Company for working capital and investment purposes;
- The drawn down loan amount bears interest at rate of 6% per annum;
- The outstanding loan amount shall be held on a loan account. Mr Williams may at any time elect that the Outstanding Loan Amount (in whole or in part) be converted into shares in the Company at the lower of:
  - A price of £0.003 per share; or
  - a price equating to a 10% discount on the market price at the date of conversion.

Mr Williams currently owns 102,772,728 shares in Global Brands representing an interest of 29.46% in the Company. The amendment to the loan facility therefore constitutes a related party transaction. The Directors, having consulted with the Company's Nominated Adviser, consider that the terms of the loan facility are fair and reasonable insofar as the Company's shareholders are concerned.

It is expected that the Company will raise further funds in the second half of 2014 to provide additional capital to pursue its Investment Policy.

### **Investing Policy**

Global Brands is an Investing Company under the AIM Rules. Under the Investing Policy adopted on 18 March 2013, the Company has a diversified portfolio of investments in the commodities and oil and gas sectors.

The Board notes the UK government's policy for self sufficiency in energy and that it is looking increasingly to shale gas to displace imported gas. The Board is firmly of the view that tremendous opportunities exist in this area and consequently intends focusing the bulk of its investing activities in on-shore UK oil and gas opportunities. Target investments will include a variety of investing and acquisition activities in private companies which hold interests in petroleum exploration development licences ("PEDLS"). The Company will seek to co-invest with such companies in exchange for an economic interest. As noted above, such co-investments include the provision of financing by way of farm-ins, earn-ins, loans, equity and other forms of financing and investments. As it is highly likely that UK gas prices will reduce if large scale onshore gas production is successful, the Company will also consider investments in associated infrastructure that may include electrical generation from gas. Electricity prices are expected to rise due to a shortage of generating capacity in the UK caused by high emission stations closing in 2015. As new nuclear stations will take time to bring online, a viable short term solution would be modular gas fired generating stations that can be built quickly. Investments in such infrastructure will support the investment strategy as, in the face of falling gas prices, onshore producers are likely to be in a competitive position vis a vis imports and offshore gas producers.

The Board expects that such investments might typically represent in excess of 80% of the Company's portfolio at times and in certain circumstances may be represented by a single investment. The Board recognises the inherent risks of such investments but believes that these offer Shareholders significant upside potential.

In order to offset some of the risk as well as to provide the Company with access to working capital, the Board intends investing part of its portfolio in large, stable diversified quoted oil and gas and commodities companies. Shareholders should be aware however, that such investments may only represent a small portion of the Company's portfolio at any point in time.

It is expected that returns to Shareholders would be initially in the form of capital appreciation but the Directors will consider the payment of dividends if and when the Company has sufficient cash resources and distributable reserves.

The key strengths of the Investing Policy are:

- Oil and gas prices have been robust throughout the recent financial crisis;
- Discoveries and exploration investments are very attractive for growth prospects; and

- The UK on-shore oil and gas market, in particular, offers potential for significant returns.

The potential risks of the Investing Policy are:

- Any significant and sustained falls in various resource materials and oil and gas prices may adversely affect the performance of the Company's portfolio;
- Oil and gas exploration and development requires significant financial resources and it is likely that the projects will require additional funding. There could be a requirement for the Company to raise further funds in order to progress future development plans; and
- Exploration is a high risk business and there can be no guarantee that any of the investments envisaged will result in returns to Shareholders.

**For further information, please contact:**

**Global Brands S.A.**

Bruce Vandenberg, CEO  
Fiona Kinghorn

Tel: +44 7899 791 726  
Tel: +44 7867 520 722

**Nomad**

**Cairn Financial Advisers LLP**

Sandy Jamieson  
James Caithie

Tel: +44 207 148 7900

**Broker**

**Alexander David Securities Ltd**

David Scott  
James Dewhurst

Tel: +44 207 448 9821  
Tel: +44 207 448 9820